



State Budget Trailer Bill Language Summary

BUDGET TRAILER BILL SUMMARY

The Budget Trailer Bill Language is the implementing language of the California State Budget Bill. The 2017 Budget Trailer Bill was released on February 1. This year, the Trailer Bill includes policy implementation details and requirements for the Guided Pathways, the California Community Colleges Awards for Innovation, and technical cleanup to the Adult Education Block Grant.

Guided Pathways – Trailer Bill Language:

The Trailer Bill adds Part 54.8 (commencing with §88920) to Division 7 of Title 3 of the Education Code, establishing the California Community College Guided Pathways Grant Program. The Guided Pathways program is intended to ensure integration of existing student success programs and services and to build capacity at colleges to develop clearly structured, coherent guided pathways programs. The programs would implement the \$150 million one-time funding allocation in the Governor's 2017-18 Budget.

Criteria for Grants:

Department of Finance gives the Chancellor's Office authority over the requirements, programmatic criteria, and administrative guidelines colleges must meet in order to qualify for one-time grants. However, before the Chancellor's Office may award funds, a college must demonstrate its commitment to implement a guided pathways framework by submitting a letter to the Chancellor's Office signed by the following:

- President of the Governing Board of the community college district;
- CEO of the college; and
- President of the college's academic senate.

Allocation of Funds:

The funding would be allocated to participating colleges as follows:

- Up to 10% to Chancellor's Office for administration and statewide support;
- 20% distributed equally among districts;
- 35% based on the percentage of FTES at each participating college; and
- 45% based on the percentage of students that would qualify for a Pell Grant, including AB 540 students at each participating college.

League Analysis:

As proposed, the language is fairly broad and provides authority to the Chancellor's Office to develop the program in a way that has the greatest systemic impact on colleges. This structure presents the opportunity for any college who is interested to participate in the program without going through a competitive grant process.

LAO Comments:

The LAO has recommended that the legislature seek clarification by specifically asking (1) how the proposed \$150 million guided pathways program would be structured, implemented, and led; (2) what changes might be needed in how the state organizes and funds CCC student success efforts; and (3) the rationale for the proposed funding amount and timeline.

Chancellor's Higher Education Innovation Awards Program – Trailer Bill Language:

The Trailer Bill adds Article 2.7 (§66010.98) to the Education Code, establishing the Awards for Innovation in Higher Education program. The program is established under the authority of the CCC Chancellor and the Board of Governors (BOG). The BOG shall use the \$20 million in one-time funds allocated in the Budget Act of 2017 to award colleges for innovations that improve student success, are sustainable, and capable of being scaled across the state.

Focus for Awards:

Money shall be awarded to initiatives that focus on one of the following five areas:

1. Programs and frameworks that support underrepresented students
2. Targeted services and programs for active duty or student veterans
3. Programs and frameworks that help displaced or underemployed adults receive training for gainful employment
4. Programs that support incarcerated adults
5. Programs that incorporate technology to improve instruction and support services.

Analysis:

This is the fourth year the Department of Finance has proposed the Awards for Innovation; however, instead of structuring the program under the direction of the Department of Finance, the program is now under the discretion of the CCC Chancellor. The awards are structured as incentives to advance specific educational practices focused on five subgroups or practices. The program continues to be unpopular among the Legislature however under the direction of the Chancellor's Office may be better received as a way of targeting innovations towards clearly identified needs.

Adult Education Trailer Bill Amendment:

The Trailer Bill adds §84914.1 to the Education Code, the Adult Education Block Grant (AEBG). The amendments states that program funds received by a participating school district shall be deposited in a separate fund of the school district to be known as the Adult Education Fund. Moneys in an Adult Education Fund shall be expended only for adult education purposes.

Analysis:

This amendment addresses concerns posed by organizations representing K-12 adult education faculty and staff around preventing the use of AEBG resources for other purposes.

LEAGUE BUDGET PRIORITIES

Proposition 98 and General Operating Funds

According to the LAO, the 2017-18 minimum guarantee is expected to exceed the Administrations January estimates by as much as \$1.5 billion due to increases in state tax revenue. This could result in nearly \$150 million in ongoing revenue for community colleges. However, even if new revenue materializes, it is uncertain if the Administration would allocate it as ongoing funds. The League continues to seek for the approval of \$24 million general operations (base) increase. In its 2017-18 analysis, the LAO recommended that the Legislature consider a larger increase if additional revenue is available in May.

Capital Outlay

The League continues to seek clarification and details on the plan to release the \$2 billion in Proposition 51 bond funding for CCC facility projects. The Governor proposed to fund five new capital outlay projects in the 2017-18 budget. The budget would provide \$7.4 million for planning in FY 2017-18, and total funding for these projects would be \$182 million. This is in contrast to the action of the Board of Governors, which approved 29 projects worth \$692 million as part of its 2017-18 Capital Outlay Spending Plan. The Department of Finance has shown a willingness to consider funding additional projects, prioritizing projects with significant "health and safety" components. The League will reach out to colleges with unfunded projects and make the case to the Legislature about the importance of extending funding to all 29 projects in FY 2017-18.